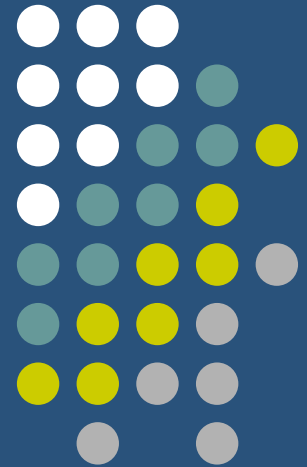


# Electronic Product Recycling

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Administrative Fee

Senate Bill 6428



# Overview



- Ecology is determining the fee structure for registration and plan review fees.
- Under section 23: Fee must be based on a *sliding scale* that is representative of *annual sales* of “covered electronic products” in Washington.



# Presentation Organization

- Ecology survey
- Market share data options
- Fee structure formula
- Example of fees to cover appropriation by the legislature
- Example of fees for detailed market share study
- Plan review fee



# Ecology Survey

- In order to obtain the specific information required by the law, Ecology conducted a survey by mail of all identifiable manufacturers of covered electronic products.
- Concerns
  - Received a low response rate.
  - Very few of the large market share companies have responded with usable figures.
  - Responses were inconsistent

# Currently Available Market Share Data



Source	Type of data	Comments	Cost
<b>Cascadia Consulting</b>	Units of covered electronic products forecasted to be sold in WA		Already purchased
<b>eTforecasts</b>	Annual national computer market share of top 7 brands		Already purchased
<b>Gartner</b>	Computer market share of top 5 brands nationally	Only 3Q05,3Q04,2Q05	Free
<b>NPD Research</b>	Television market share for 74 brands	Does not include sales at Wal-Mart, Costco, Sams Club, Dell televisions	Free

# Data supplementation options



Source	Type of data	Region	Comments	Cost
Gartner	Annual top 5 market share computer brands	National	Market trend data	\$1,500
NPD Research	Computer and television market share top 10	Western U.S.	Consumer based database with 100,000 respondents monthly	\$3,000

# Washington Specific Market Share Data



- Purchase a more detailed study of all manufacturers of covered electronic products in Washington State
- Estimated cost: \$200,000-\$350,000
- Other possible options.....discuss at end of presentation.



# Fee Structure Formula

- Television and computer manufacturers will be allocated a percentage of the total fee based on estimated unit sales in WA.
- Currently have forecasts for unit sales of computers and televisions based on national data adjusted for WA.

2006 Forecast of WA unit sales		
	Units	Percentage
Computers*	1,691,844	71.12%
Televisions	687,131	28.88%

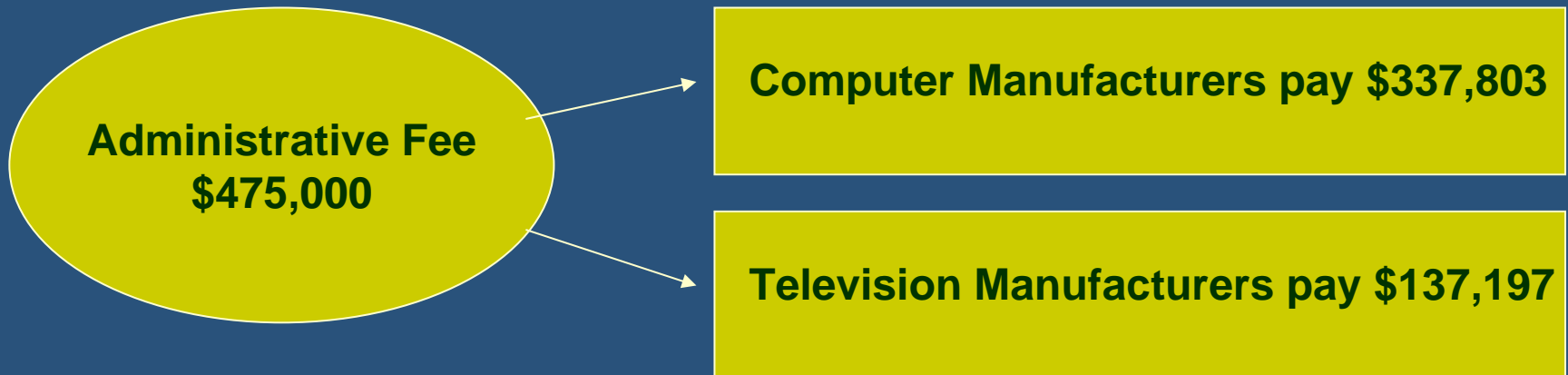
\*Computers include desktops, laptops and monitors



# Using Funds Currently Appropriated by Legislature



- Total cost to recover initial year: \$475,000 (current biennium budget)



# Using Funds Currently Appropriated by Legislature



- A fee will be assigned per market share percentage.
- Continuing with previous example...

## Computer Manufacturers

\$3378 / market share %

## Television Manufacturers

\$1372 / market share %

# Fee Formula



Individual Manufacturer Fee =

Market Share<sub>computers</sub> (\$ fee/1%market share)

+

Market Share<sub>televisions</sub> (\$ fee/1%market share)

# Current budget appropriated by legislature



Initial year: 2007

- \$475,000 biennium budget

Subsequent years:

- 2008:  $\$221,500 + 5.49\%$  (fiscal growth factor<sub>2008</sub>)  
= \$233,600
- 2009:  $\$233,600 + 5.25\%$  (fiscal growth factor<sub>2009</sub>)  
= \$245,864

# Funds Currently Appropriated by Legislature



Computers				Televisions			
Market Share	Units	Fee	Fee per unit	Market Share	Units	Fee	Fee per unit
40.0%	676,738	\$135,121	\$0.20	40.0%	274,852	\$54,879	\$0.20
20.0%	338,369	\$67,561	\$0.20	20.0%	137,426	\$27,439	\$0.20
10.0%	169,184	\$33,780	\$0.20	10.0%	68,713	\$13,720	\$0.20
5.0%	84,592	\$16,890	\$0.20	5.0%	34,357	\$6,860	\$0.20
1.00%	16,918	\$3,378	\$0.20	1.00%	6,871	\$1,372	\$0.20
0.50%	8,459	\$1,689	\$0.20	0.50%	3,436	\$686	\$0.20
0.10%	1,692	\$338	\$0.20	0.10%	687	\$137	\$0.20
0.01%	169	\$34	\$0.20	0.01%	69	\$14	\$0.20

**Computer 1% Market Share: \$3,378**

**Television 1% Market Share: \$1,372**

**\*Ecology will round available market share data to 2 decimal places.**

# Detailed Washington Market Share Study

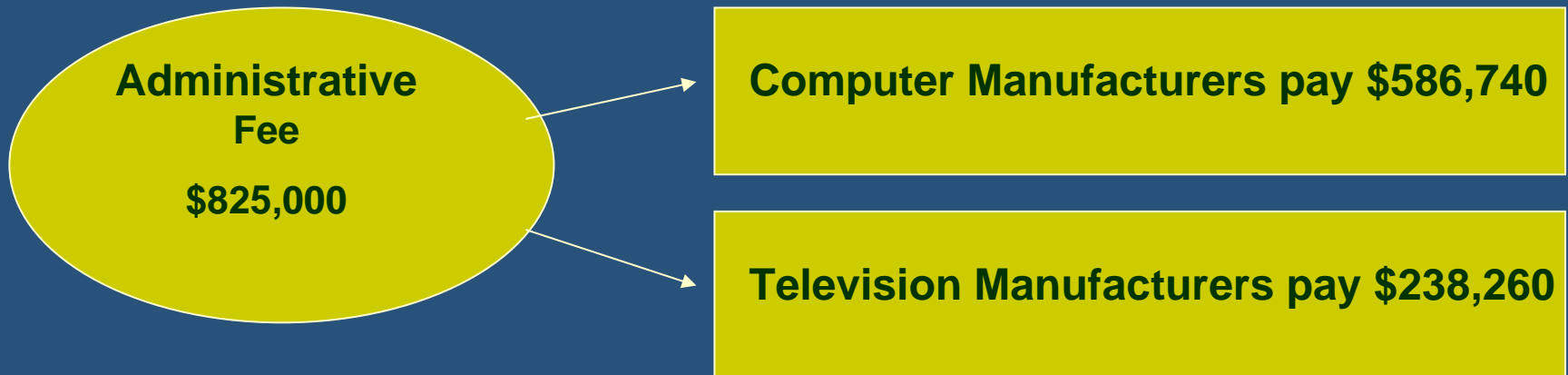


- Price tag: \$200,000-\$350,000
- Total administrative fee collection could be as high as \$825,000
- This cost would be passed on to manufacturers in the administrative fee

# Detailed Washington Market Share Study



- Example: Total cost to recover initial year: \$825,000



# Detailed Washington Market Share Study



- Again, a fee will be assigned per market share percentage

## Computer Manufacturers

\$5,867 / market share %

## Television Manufacturers

\$2,383 / market share %



# Detailed Washington Market Share Study



Computers				Televisions			
Market Share	Units	Fee	Fee per unit	Market Share	Units	Fee	Fee per unit
40.0%	676,738	\$234,684	\$0.35	40.0%	274,852	\$95,316	\$0.35
20.0%	338,369	\$117,342	\$0.35	20.0%	137,426	\$47,658	\$0.35
10.0%	169,184	\$58,671	\$0.35	10.0%	68,713	\$23,829	\$0.35
5.0%	84,592	\$29,336	\$0.35	5.0%	34,357	\$11,914	\$0.35
1.00%	16,918	\$5,867	\$0.35	1.00%	6,871	\$2,383	\$0.35
0.50%	8,459	\$2,934	\$0.35	0.50%	3,436	\$1,191	\$0.35
0.10%	1,692	\$587	\$0.35	0.10%	687	\$238	\$0.35
0.01%	169	\$59	\$0.35	0.01%	69	\$24	\$0.35

**Computer 1% Market Share: \$5,867**

**Television 1% Market Share: \$2,383**

**\*Ecology will round available market share data to 2 decimal places.**



# Plan Review

- The plan review fee will be implemented in 2008 when manufacturers apply to participate in a plan.
- The fee will be charged based on the workload of the plan review process on a cost recovery basis.



# Conclusion

- Ecology would prefer to calculate market share based on national data and extrapolate for Washington
- We can do a costly Washington specific study if that is the preference
- Other Alternatives....